ESTTA Tracking number: **ESTTA127680**

Filing date: **03/01/2007**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91162370
Party	Defendant De Beers LV Ltd De Beers LV Ltd 1 Silk Street GBX London, EC2Y 8HQ
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Attachments	NY-#511311-v1-Response.pdf (9 pages)(394655 bytes) NY-#511310-v1-Exhibit_A.pdf (2 pages)(67926 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Atty. Ref.: 0820278.0103

De Boulle Diamond & Jewelry, Inc.	:	
Opposer,	:	Consolidated Opposition No.: 91162370
	:	Opposition Nos. 91162370
-against-	:	91162469
	:	91164615
De Beers LV Ltd.	:	91165285
	:	91165465
Applicant.	:	

APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO REOPEN DISCOVERY AND TESTIMONY PERIODS

Applicant (hereinafter "De Beers"), by its undersigned attorneys, hereby submits this Response to Opposer's Motion to Reopen Discovery and Testimony Periods (hereinafter "Opposer's Motion") for an order denying Opposer's Motion and to enter default judgment against Opposer for failure to prosecute these consolidated opposition proceedings.

PRELIMINARY STATEMENT

Opposer's Motion to Reopen Discovery and Testimony Periods should be denied because Opposer's failure to prosecute this case is not due to excusable neglect. Although Opposer commenced these opposition proceedings over two years ago, it is just now attempting to prosecute them, well after letting the discovery and testimony periods lapse. Indeed, Opposer has utterly failed to comply with its obligations under the T.T.A.B. Rules, including the following:

- Opposer never produced its discovery documents despite numerous promises to do so.
- Opposer refused to respond to De Beers' numerous correspondence regarding the exchange of discovery documents.
- Opposer forced De Beers to prepare and file a Motion to Compel Production of Documents.
- Opposer allowed the discovery period to close without even attempting to meet its discovery obligations.
- Opposer failed to comply with the Board's Order by not producing its discovery documents by the August 25, 2006 deadline imposed by the Board.
- Opposer allowed the reset discovery period to close without attempting to meet its discovery obligations.
- Opposer allowed the reset testimony period to close without submitting any evidence.
- Opposer forced De Beers to file a Motion for Discovery Sanctions to finally put an end to these proceedings.

Opposer allowed two separate discovery periods to close without meeting its discovery obligations, allowed two separate testimony periods to close without submitting any evidence or taking any testimony and failed to comply with the Board's June 6, 2006 Order to Compel Discovery.

Only after De Beers filed its Motion for Discovery Sanctions did Opposer suddenly resurface. Opposer's delinquent request to now have the Board reopen discovery and the testimony periods would set these proceedings back two years and place an undue burden on both De Beers and the Board to, in effect, recommence these consolidated proceedings from the start. Opposer has not provided any reason why the Board should entertain such an extraordinary request. As set forth below, Opposer's actions were not the result of excusable neglect and, under well settled precedent, warrant the Board's denial of Opposer's Motion and dismissal of these proceedings.

ARGUMENT

A. Opposer's "Excuses" for Failure to Comply with its Discovery Obligations or Submit Evidence During its Testimony Period do not Constitute Excusable Neglect

Opposer is requesting that the Board reopen discovery and the testimony periods in these proceedings because it claims that Opposer's "failure to complete discovery and obtain testimony within the time previously set out was due to excusable neglect." *See* Opposer's Motion at 17. The determination of whether a party's failure to act as a result of excusable neglect requires an analysis of the following four factors: (1) The danger of prejudice to the [nonmovant]; (2) the length of the delay and potential impact on judicial proceedings; (3) the reason for the delay, including whether it was within the reasonable control of the movant, and (4) whether the movant acted in good faith. *Pioneer Investment Services Co. v. Brunswick Assoc. Limited Partnership et al.*, 507 U.S. 380, 396 (1993).

All four factors weigh heavily in favor of De Beers. First, Opposer had the burden of meeting its discovery obligations and submitting evidence in support of its case in accordance with the schedule set by the Board. Trademark Rule 2.132(a). Opposer's failure to prosecute this case has unnecessarily extended the overall length of these proceedings, which has prejudiced and continues to prejudice De Beers. Reopening discovery and the testimony period would essentially restart these proceedings from the beginning and delay for years De Beer's right to obtain federal registration of its valuable United States trademarks. *See Baron Philippe de Rothschild S.A. v. Styl-Rite Optical Mfg. Co.*, 55 U.S.P.Q.2d 1848, 1852 (T.T.A.B. 2000) (judgment warranted upon a finding that an overall pattern of delay caused extreme prejudice to a party). De Beers has been using its trademarks in connection with retail sales of diamonds and jewelry and has built up extraordinary goodwill in the marks. *See Gaylord Entertainment Co. v. Calvin Gilmore Productions Inc.*, 59 U.S.P.Q.2d 1369 (T.T.A.B. 2000) (finding that reopening

the testimony period would cause "extreme prejudice" because the applicant had used the marks at issue and built up substantial goodwill). Accordingly, the danger of prejudice to De Beers is significant.

Second, Opposer is requesting that the Board reopen discovery and the testimony period six months following its failure to comply with the Board's June 6, 2006 Order to Compel Discovery, five months following the close of the reset discovery period and two months following the close of the reset testimony period. Further, Opposer is making this motion approximately ninth months following the close of the original discovery period[1] and approximately seven months following the close of the original testimony period.[2] The Board has unequivocally viewed such delays as significant and subsequently ruled against a finding of excusable neglect. *See Old Nutfield*, 65 U.S.P.Q.2d at 1703; *PolyJohn*, 61 U.S.P.Q.2d at 1862 (holding that a cross-motion to extend discovery and trial dates two months past close of discovery and one month past close of the testimony period was significant taking into account the delays from briefing and deciding associated motions).

Moreover, Opposer's above-mentioned delays and request to reopen will unduly burden the Board. *See Old Nutfield*, 65 U.S.P.Q2d at 1703 (reopening testimony period would cause an undue burden on the Board after two-month delay in filing motion to reopen); *PolyJohn*, 61 U.S.P.Q.2d at 1862 (reopening discovery and testimony period would cause an undue burden on the Board after two-month delay in filing motion to reopen); *Pumpkin*, 43 U.S.P.Q.2d at 1587-88

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[1] By order of the Board dated April 11, 2006, the close of the discovery period was extended to June 1, 2006.

[2] By order of the Board dated April 11, 2006, the close of the testimony period was extended to August 31, 2006.

(reopening testimony period would cause an undue burden on the Board after three and one-half months delay in filing motion to reopen).

Third and arguably the most important factor in this analysis is the reason for the delay, including whether it was within the reasonable control of the movant. *See Pumpkin*, 43 U.S.P.Q.2d at 1586-87. Opposer claims that it did not receive the Board's June 6, 2006 Order to Compel Discovery. Opposer's Motion at 12. However, this does not explain why Opposer failed to meet its discovery obligations and failed to submit any evidence in this case. Prior to the reset deadlines set forth in the Board's June 6, 2006 Order to Compel Discovery, Opposer's discovery and testimony periods were set by an April 11, 2006 Board Order, which extended the deadlines and reset all discovery and testimony period deadlines. (see Exhibit A). Therefore, Opposer was well aware of its deadlines and its obligation to prosecute this case. *See Nutfield*, 65 U.S.P.Q2d at 1704 (finding that opposer's failure to take testimony because opposer did not receive an answer to a notice of opposition was not excusable neglect).

Opposer was previously represented in these proceedings by two attorneys from separate law firms, namely, David A. Harlow, Esq. from Nelson Mullins Riley & Scarborough LLP and Pieter J. Tredoux, Esq., a solo practitioner. *See* Reply to Opposer's Response to Applicant's Motion for Discovery Sanctions (hereinafter "De Beer's Reply") at p. 3 and 7. It is inconceivable that two attorneys, who were both responsible for and actively involved in these proceedings, did not receive and forward the Board's June 6, 2006 Order to Compel Discovery to Opposer. *See HKG Industries Inc. v. Perma-Pipe Inc.*, 49 U.S.P.Q.2d 1156 (T.T.A.B. 1998) (holding that failure to prosecute because of the death of petitioner's counsel was not excusable neglect as there were multiple attorney's in the firm authorized to represent petitioner during the testimony period). Further, Opposer fails to mention Mr. Tredoux at all, much less that he was

significantly involved in these proceedings so it can avoid explaining why two authorized legal representatives of Opposer failed to prosecute this case.

Opposer also contends that its failure to "complete discovery and obtain testimony" was the result of "its reliance on the care and vigilance of prior lead counsel." Opposer implies that only one counsel (i.e., Mr. Harlow) was responsible for prosecuting this case, and because of his alleged malfeasance alone, Opposer failed to comply with its discovery obligations and did not submit any evidence to support its case. Opposer's Motion at 20. Opposer relies on *Hewlett-Packard v. Olympus Corp.*, 931 F.2d 1551, 1552-53 (Fed. Cir. 1991), in which the Board stated that among other criteria, "excusable neglect" is defined as "...reliance on the care and vigilance of his counsel." However, Opposer's reliance on the *Hewlett* definition is severely misguided. After *Hewlett* was decided, the U.S. Supreme Court decided *Pioneer* and firmly established that in determining excusable neglect "...a party must be held accountable for the acts and omission of its chosen counsel, such that, for purposes of making the 'excusable neglect' determination, it is irrelevant that the failure to take the required action was the result of the party's counsel's neglect and not the neglect of the party itself." *Pioneer*, 507 U.S. at 396.

Subsequent to the *Pioneer* decision, the Board has consistently ruled that the inactions or neglect of counsel do not constitute excusable neglect. *See Gaylord*, 59 U.S.P.Q.2d at 1372 (opposer's counsel's failure to take testimony is irrelevant); *CTRL Systems Inc. v. Ultraphonics of North America Inc.*, 52 U.S.P.Q.2d 1300, 1302 (T.T.A.B. 1999) ("it is well settled that the client and the attorney share the duty to remain diligent in prosecuting or defending the client's case...and inaction or neglect by the client's chosen attorney will not excuse the inattention of the client so as to yield the client another day in court." (citations omitted); *Pumpkin*, 43

U.S.P.Q.2d at 1586. Opposer has not set forth any reasons that could possibly constitute excusable neglect. Accordingly, this factor weighs heavily in favor of De Beers.

Fourth, Opposer's dilatory tactics and failure to prosecute these proceedings evidence bad faith. In addition, Opposer has misled the Board by concealing the identity of Mr. Tredoux and his involvement in these proceedings. Accordingly, Opposer has aggravated its failure to comply with its discovery obligations, to prosecute this case and to comply with the Board's June 6, 2006 Order to Compel Discovery. In fact, Opposer has continued to retain the very counsel (i.e., Mr. Tredoux) that was primarily responsible for Opposer's discovery and has provided the Board with no explanation as to why both Mr. Tredoux and Mr. Harlow failed to prosecute this case. *See* De Beer's Reply at pp. 7-8; Exhibits A through I, attached to De Beer's Reply. Concealing essential facts because they may undermine Opposer's argument for not prosecuting this case constitutes bad faith. Accordingly, this factor weighs in favor of De Beers.

In sum, the case law is replete with examples of the Board denying motions to reopen discovery and testimony periods where parties fail to prosecute a case due to reasons that do not constitute excusable neglect. *PolyJohn Enterprises Corp. v. 1-800-Toilets Inc.*, 61 U.S.P.Q.2d 1860 (T.T.A.B. 2002); *Old Nutfield*, 65 U.S.P.Q.2d at 1701; *See Pumpkin Ltd. v. The Seed Corps*, 43 U.S.P.Q.2d 1582 (T.T.A.B. 1997). This is an extreme example of one such case.

CONCLUSION

For the foregoing reasons, De Beers respectfully requests that the Board deny Opposer's Motion to Reopen Discovery and Testimony Period and dismiss these proceedings for Opposer's failure to prosecute this case.

Respectfully submitted,

DE BEERS LV LTD.

Dated: March 1, 2007 By: 

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CERTIFICATE OF SERVICE BY MAIL

I hereby certify that on the 1st day of March, 2007, I served a true and correct copy of the foregoing Response to Opposer's Motion to Reopen Discovery and the Testimony Period on the attorneys for the Opposer at the addresses indicated below, by depositing said document in the United States mail, first-class postage prepaid:

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Pieter J. Tredoux, Esq.
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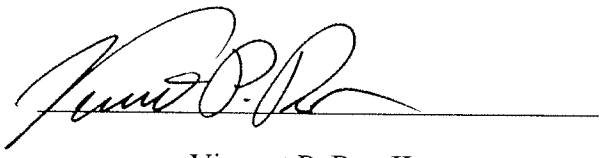
Dated: March 1, 2007



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UNITED STATES PATENT AND TRADEMARK OFFICE
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Mailed: April 11, 2006

Opposition No. 91162370
Opposition No. 91162469
Opposition No. 91164615
Opposition No. 91165285
Opposition No. 91165465

De Boulle Diamond & Jewelry, Inc.

v.

De Beers LV Ltd

Cheryl Butler, Attorney, Trademark Trial and Appeal Board

On December 27, 2005, applicant filed a motion to extend discovery and testimony in this consolidated proceeding. In an order dated January 27, 2006, the Board noted that applicant's motion had been filed in a "child" case, and indicated that the motion would be considered in due course for this consolidated proceeding. On March 2, 2006, opposer filed correspondence indicated it was not opposed to applicant's motion, and requesting that such motion be acted on.

Applicant's motion, now consented to by opposer, is granted. The Board regrets the delay in acting on the motion, and extends dates as follows:

THE PERIOD FOR DISCOVERY TO CLOSE:	June 1, 2006
30-day testimony period for party in position of plaintiff to close:	August 30, 2006
30-day testimony period for party in position of defendant to close:	October 29, 2006
15-day rebuttal testimony period to close:	December 13, 2006

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided b Trademark y Rule 2.129.

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